



State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES

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JEFFREY A. MEYERS
COMMISSIONER

September 8, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

Re: INFORMATIONAL ITEM: Health and Human Services Dashboard

Information

The Department of Health and Human Services (DHHS) hereby submits as an information item the department's monthly dashboard in order to inform the legislature and the public on the current status of the utilization of the department's programs and services and the related implications for the department's budget. Please note that financial and caseload information contained in this monthly dashboard is current through July 31, 2016 (SFY 17)

Explanation

Fiscal Year 2017 Funding Issues

TANF (Hendricks Decision) -- \$78,000
Medicaid -- TBD

Medicaid Shortfall in SFY 2016 & Implications for SFY 2017

The Medicaid shortfall in SFY16 resulted from three budget related issues and litigation regarding how uncompensated care is calculated. First, the managed care (per member per month) rates for SFY16 exceeded the amount budgeted for the managed care program. Second, the budget assumptions regarding a Medicaid caseload reduction of 2% in SFY16 were not realized; in fact, caseloads remained static. Third, for a period of time on SFY16 mental health services were excluded from the managed care program and the fee for service rates in this period were higher than budgeted. Lastly, as a result of the federal government attempting to change the methodology of how uncompensated care is defined and litigation resulting from that attempted change, the amount of uncompensated care payments to the state's hospitals was significantly higher (\$15.9 million) than budgeted.

DHHS managed the SFY16 Medicaid shortfall by transferring general funds that would otherwise lapse from other areas within the department.

While the department was able to cover these SFY16 Medicaid shortfalls, the underlying reasons for some of these shortfalls remain and, if not addressed, will produce shortfalls again in SFY17. Specifically, the current budget projects an additional decrease in Medicaid caseloads in SFY17 at another 2%, in addition to the 2% expected from SFY16. Although quite early in the fiscal year, it does not appear that caseloads will decrease enough to cover the cumulative impact of the SFY16 and 2017 reduction. The current dashboard is projecting a \$12.5m deficit for SFY17 at this time.

In addition, the rates for the managed care program as determined by the actuary have increased slightly again for SFY17. Without offsetting revenue, the rate increases could generate a shortfall of up to \$30 million by the end of SFY17. The composite average per member per month rate has increased since 2015 from \$331 to \$349. The MCO rates that were approved by the Executive Council in June 2016 will be in effect for SFY17. Rates are determined on an annual (fiscal year) basis.

Any gain or shortfall from the SFY17 uncompensated care (DSH) payment remains uncertain. However, since the 2017 payment will be based on 2015 uncompensated care data, which represents a full year of the impact from the New Hampshire Health Protection Program, it is anticipated that the hospitals' uncompensated care will significantly decrease from the 2014 levels, which was the basis for the SFY16 DSH payments. Even though the hospitals are not required to submit their uncompensated care reports or pay their Medicaid Enhancement Tax until the late spring of 2017, the department will work with the hospitals prior to then to obtain information in advance of their filings. We are uncertain at this time when the court will issue a final decision on the uncompensated care definitions. To fund the FY16 shortfall, the department relied upon drug rebate revenue received in excess of the amount originally budgeted. Since drug rebate revenue is invoiced quarterly, we will not know how the SFY17 revenue will trend till after the 9/30/16 quarter ends and invoices are generated.

Caseload Trends

	SFY 15 6/30/2015	SFY 16				SFY 2017 7/31/2016
		9/30/2015	12/31/2015	3/31/2016	6/30/2016	
Medicaid Standard	138,252	138,908	138,959	139,242	137,372	135,807
<i>% increase over prior</i>	<i>0.47%</i>	<i>0.04%</i>	<i>0.20%</i>	<i>-1.34%</i>	<i>-1.14%</i>	
NHHPP	41,657	43,107	46,996	49,203	49,522	49,911
<i>% increase over prior</i>	<i>3.48%</i>	<i>9.02%</i>	<i>4.70%</i>	<i>0.65%</i>	<i>0.79%</i>	
Food Stamps (SNAP)	105,322	102,869	100,495	99,543	96,872	95,956
<i>% increase over prior</i>	<i>-2.33%</i>	<i>-2.31%</i>	<i>-0.95%</i>	<i>-2.68%</i>	<i>-0.95%</i>	
FANF Persons	6,138	5,764	5,425	5,183	5,107	4,954
<i>% increase over prior</i>	<i>-6.09%</i>	<i>-5.88%</i>	<i>-4.46%</i>	<i>-1.47%</i>	<i>-3.00%</i>	
APTD Persons	7,526	7,343	7,116	7,033	6,916	6,875
<i>% increase over prior</i>	<i>-2.43%</i>	<i>-3.09%</i>	<i>-1.17%</i>	<i>-1.66%</i>	<i>-0.59%</i>	
LTC - Persons	7,109	7,042	7,191	7,231	7,065	7,100
<i>% increase over prior</i>	<i>-0.94%</i>	<i>2.10%</i>	<i>0.56%</i>	<i>-2.30%</i>	<i>0.50%</i>	

TANF – Fiscal Impact of Hendricks v. Department of Health and Human Services

At the August 5, 2016, meeting of the Joint Legislative Fiscal Committee, the department was asked about the potential fiscal impact of the New Hampshire Supreme Court's decision in the Hendricks case. In its opinion issued on August 2, 2016, the New Hampshire Supreme Court ruled unconstitutional a department administrative rule that required DHHS to include a child's federal Supplemental Security Income (SSI) in the calculation of a family's eligibility for benefits under the federal Temporary Assistance for Needy Families program (TANF), as administered by the State's Financial Assistance to Needy Families Program (FANF).

The Honorable Neal Kurk

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The Department has reviewed the decision and has calculated the potential fiscal impact. For the reasons discussed below, the immediate fiscal impact is \$78,237 annually based upon the 17 open cases with individuals under the age of 20 who are currently receiving federal SSI benefits. In addition, there were 109 applications for TANF over the past 6 months that were denied as being over income as a result of SSI benefits for a child in the household. Were all of those families to reapply and now qualify because of the exclusion of their children's SSI benefits, the increase in TANF expenditures would be approximately \$667,000 annually. Thus, the potential fiscal impact of the decision based on data from the past six months would be under \$750,000 per year assuming all families who were denied in that time frame re-applied and otherwise qualified.

The fiscal impact of the recent court decision is significantly lower than the TANF cost savings projected when the change in law was made in 2012 that included SSI income for purposes of TANF benefits. The projected cost savings in 2012 was based on including SSI income from both adults and children in nearly 1,500 open cases at that time. The court decision requires the department to exclude only those SSI benefits of children, and the number of open cases where there are children receiving SSI benefits is currently 17.

The fiscal impact of the decision is also lower than it might have been because the court decision is prospective only; it does not require the department to make any retroactive payments.

Sununu Youth Services Center (SYSC)

Per SB 466, the department is required to develop a cost reduction plan for the Sununu Youth Services Center and reduce general funds in the amount of \$1.7 million for SFY17. The law requires that \$850k of the \$1.7 million, be achieved by 1/1/17.

The plan was submitted in accordance with the law by August 5th and is expected to be presented at the September Fiscal Committee meeting. The plan includes operational savings from vacant positions, eliminating overtime for residential staff, cost reductions in building and grounds maintenance and reductions in provider payments and drug costs. The reduction plan assumes census and staffing patterns remain constant through the remainder of the fiscal year. The maintenance reductions assume the same utilization of the campus buildings and grounds. Unforeseen increases in oil prices that affect heat costs or unforeseen building repairs, however, could require the department to adjust its plan in order to achieve the required reductions. The same would be true were the census at the facility materially increase. The department will monitor spending in adherence to the proposed plan.

Developmentally Disabled Persons Waitlist

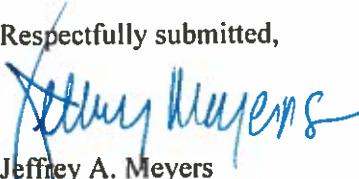
At the August 5, 2016 meeting of the Joint Legislative Fiscal Committee, the Department indicated that it would submit a report to the Health and Human Services Oversight and Joint Legislative Fiscal Committees on the number of persons served in SFY 2016 off the waitlist and its current status. This report is being submitted separately prior to the scheduled meeting of both committees on September 16, 2016. It will also be forwarded to all those copied on this Dashboard.

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Respectfully submitted,


Jeffrey A. Meyers
Commissioner

Enclosure

cc: Her Excellency, Governor Margaret Wood Hassan
The Honorable Neal M. Kurk, Chairman, House Finance Committee
The Honorable Chuck W. Morse, President, NH State Senate
The Honorable Shawn Jasper, Speaker, NH House of Representatives
Michael W. Kane, Legislative Budget Assistant

Executive Council

The Honorable Colin Van Ostern The Honorable Christopher Sununu
The Honorable Christopher Pappas The Honorable David Wheeler
The Honorable Joseph D. Kenney

House Finance Committee

The Honorable Mary Allen
The Honorable Frank Byron
The Honorable Frank Edelblut
The Honorable William Hatch
The Honorable Betsy McKinney
The Honorable Joseph Pitre
The Honorable Marjorie Smith
The Honorable Karen Umberger
The Honorable Kenneth Wyler

The Honorable Richard Barry
The Honorable David Danielson
The Honorable J. Tracy Emerick
The Honorable Peter Leishman
The Honorable Sharon Nordgren
The Honorable Katherine Rogers
The Honorable Peter Spanos
The Honorable Mary Jane Wallner

The Honorable Thomas Buco
The Honorable Daniel Eaton
The Honorable Susan Ford
The Honorable Dan McGuire
The Honorable Lynne Ober
The Honorable Cindy Rosenwald
The Honorable Timothy Twombly
The Honorable Robert Walsh

Senate Finance Committee

The Honorable Jeanie Forrester
The Honorable Gerald Little

The Honorable Lou D'Allesandro
The Honorable John Reagan

The Honorable Andrew Hosmer

DEPARTMENT OF HEALTH AND HUMAN SERVICES



OPERATING STATISTICS DASHBOARD

Fiscal Meeting September 2016

SFY17

**Budget Summary as of 7/31/16
Data/Caseloads as of 7/31/16 (except for MH as of 6/30/16)**

	A	B	C	E
1		Department of Health and Human Services		
2		Financial Summary - CASH BASIS		
3		As of July 31 --- SFY17		
4		General Funds Rounded to \$000		
5				
6		The budget for SFY16-17 provides insufficient general funds to address the legislative intents for services and obligations that are expected to be incurred.		
7		The items reported on the list include only those which a) are likely to be incurred and b) for which amounts can be reasonably estimated.		
8				
9		Legislative Lapse Target per Final Budget (3.3%) = \$20,885		
10				
11				<u>As of 7/31/16</u>
12		Shortfalls		
13		Programs		
14		Medicaid	MCM and FFS budget shortfall	TBD
15		Medicaid	DSH Obligations/ MET revenue shortfall	TBD
16				Total Medicaid
17				TBD
18				
19				
20		SYSC	Footnote reduction HB2	\$1,700
21		NHH	Nursing shortfall - 15 % salary enhancement	\$408
22				
23				
24			Total Estimated Shortfalls	\$2,108
25				
26		Identified Funds that would otherwise Lapse (cash basis)		
27				
28		Medicaid	Drug Rebate Revenue	TBD
29		SYSC	Operating Accounts	\$1,700
30		NHH	Salary & Benefits	\$408
31				
32			Total Estimated Funds that Would Otherwise Lapse	\$2,108
33				
34				
35			Net Surplus (Deficit)	\$0

Table B
Department of Health and Human Services
Caseload vs Unemployment Rate

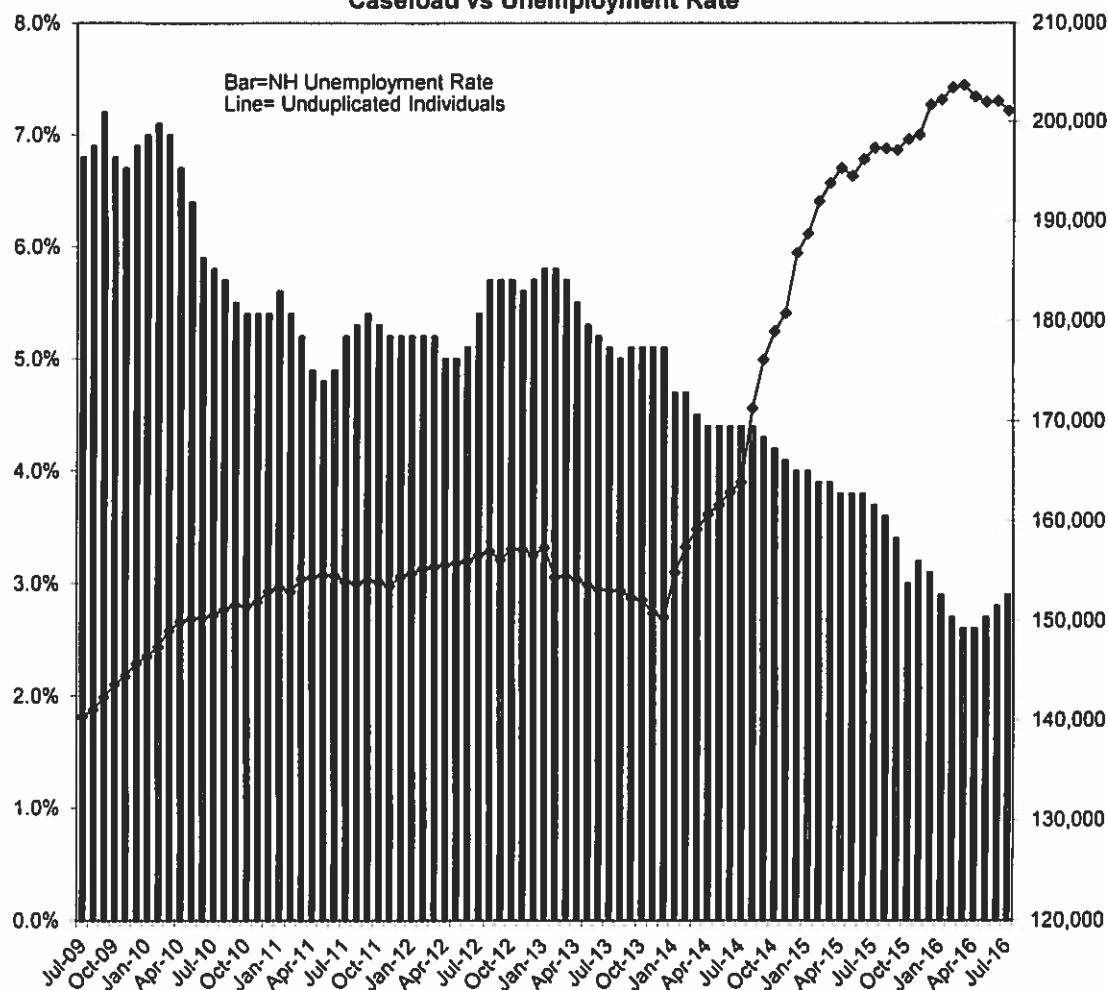


Table C-1
Department of Health and Human Services
Medicaid Caseloads (Individuals)

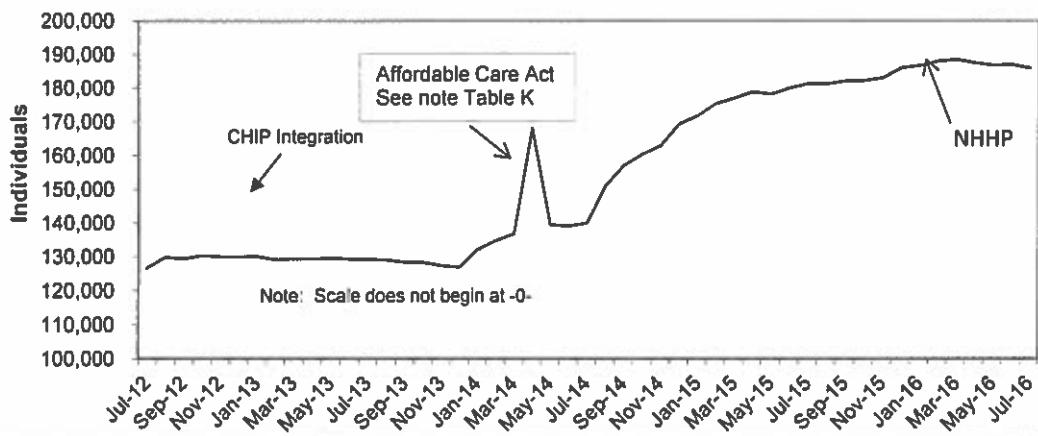


Table C-2
Department of Health and Human Services
FANF Caseloads (Individuals)

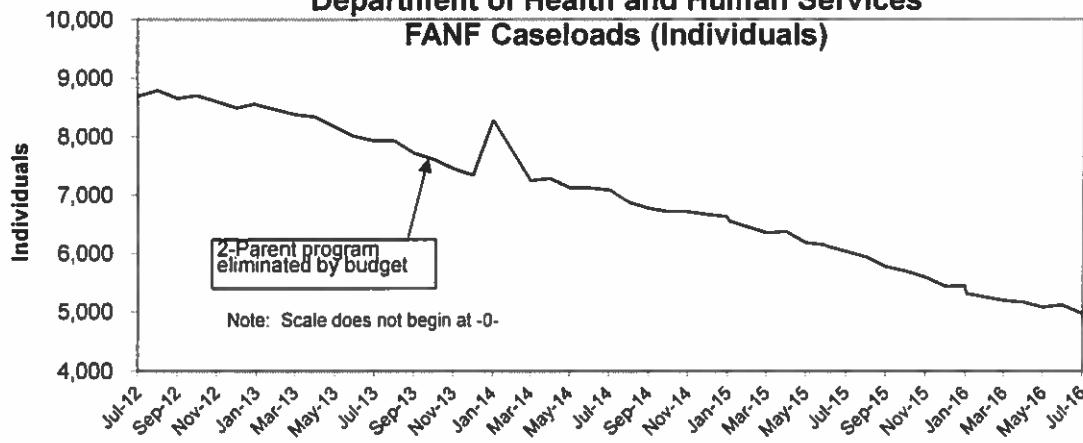
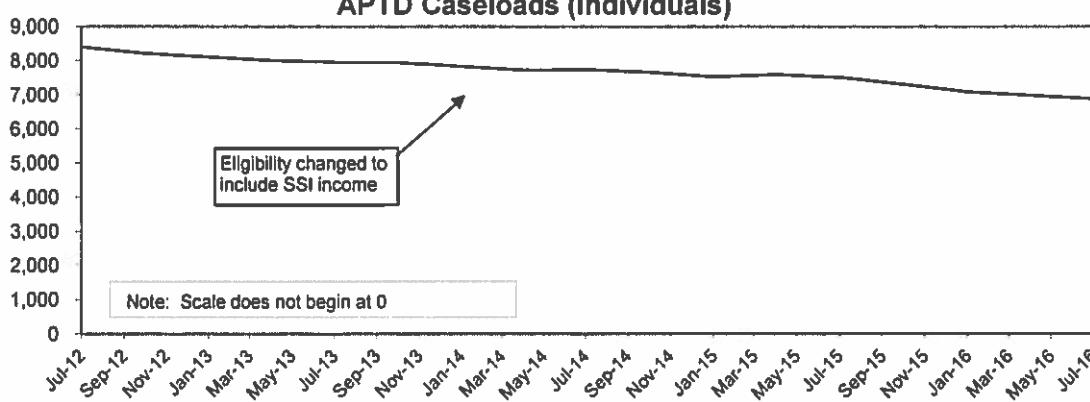
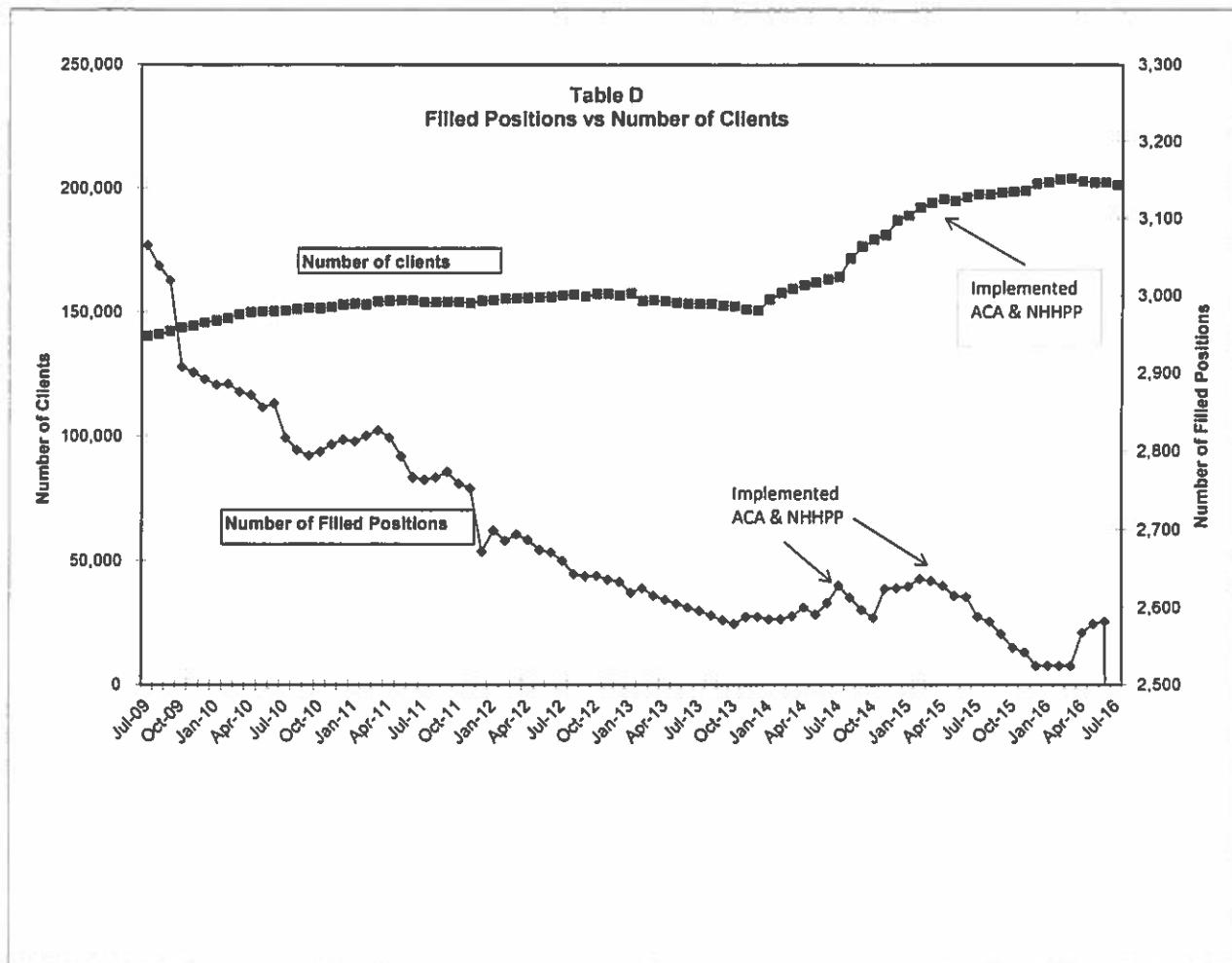


Table C-3
Department of Health and Human Services
APTD Caseloads (Individuals)





A	B	C	D	E	F	G	H	
1	Table F							
2	Department of Health and Human Services							
3	Operating Statistics							
4	Social Services							
5								
6	FANF	APTD Persons	Food Stamps Persons	Child Support Cases				
7				Current Cases	Former Cases	Never Cases	Total Cases	
8				Actual	Actual	Actual	Actual	
9				Actual	Actual	Actual	Actual	
70	Jul-14	7,085	7,741	109,239	3,672	17,849	13,748	35,269
71	Aug-14	6,871	7,727	108,767	3,671	17,803	13,741	35,215
72	Sep-14	6,767	7,679	108,434	3,598	17,831	13,736	35,165
73	Oct-14	6,705	7,657	108,343	3,702	18,674	13,214	35,590
74	Nov-14	6,705	7,607	107,214	3,711	18,814	13,347	35,872
75	Dec-14	6,660	7,532	107,900	3,753	18,868	13,529	36,150
76	Jan-15	6,622	7,530	107,934	3,917	18,811	13,735	36,463
77	Feb-15	6,547	7,542	107,224	3,956	18,906	13,981	36,843
78	Mar-15	6,339	7,538	107,521	3,803	19,202	14,294	37,299
79	Apr-15	6,366	7,596	107,283	3,842	19,249	14,538	37,629
80	May-15	6,179	7,561	106,042	3,914	19,180	14,666	37,760
81	Jun-15	6,138	7,526	106,322	3,820	19,207	14,742	37,769
82	Jul-15	6,120	7,513	104,705	3,852	19,228	14,937	38,017
83	Aug-15	5,934	7,438	103,544	3,866	19,211	15,004	38,081
84	Sep-15	5,764	7,343	102,869	3,685	19,344	15,133	38,162
85	Oct-15	5,688	7,307	101,917	3,808	19,263	15,257	38,328
86	Nov-15	5,583	7,227	100,525	3,763	19,319	15,345	38,427
87	Dec-15	5,425	7,116	100,495	3,614	19,366	15,373	38,353
88	Jan-16	5,435	7,081	99,978	3,699	19,261	15,402	38,362
89	Feb-16	5,307	7,117	99,486	3,658	19,258	15,506	38,422
90	Mar-16	5,183	7,033	99,543	3,558	19,390	15,694	38,642
91	Apr-16	5,159	6,972	98,453	3,646	19,242	15,828	38,716
92	May-16	5,068	6,933	97,610	3,627	19,187	15,886	38,700
93	Jun-16	5,107	6,916	96,872	3,544	19,147	15,952	38,643
94	Jul-16	4,954	6,875	95,956	3,589	19,058	15,945	38,592
95	Aug-16							0
96	Sep-16							0
97	Oct-16							0
98	Nov-16							0
99	Dec-16							0
100	Jan-17							0
101	Feb-17							0
102	Mar-17							0
103	Apr-17							0
104	May-17							0
105	Jun-17							0
106	YEAR-TO-DATE AVERAGE							
107	SFY11	13,920	8,617	109,131	5,550	17,304	13,123	35,977
108	SFY12	12,046	9,031	113,984	5,302	17,277	12,906	35,485
109	SFY13	8,690	8,405	117,625	4,184	17,771	12,928	34,883
110	SFY14	7,926	7,962	115,691	4,035	17,724	13,193	34,952
111	SFY15	7,085	7,741	109,239	3,672	17,849	13,748	35,269
112	SFY16	6,120	7,513	104,705	3,852	19,228	14,937	38,017
113	SFY17	4,954	6,875	95,956	3,589	19,058	15,945	38,592
114								
115	Source of Data							
116	Column							
117	B	Office of Research & Analysis, Caseload Statistics						
118	C	Budget Document						
119	D	Budget Document						
120	E-H	DCSS Caseload (Month End Actual from NECSES)						
121	Note	* Effective 3/1/12, SSI or SSP is considered when determining FANF eligibility. Those child support cases no longer eligible, are now "Former" assistance cases.						
122								
123								
124								
125								

	A	B	C	D	E
1	Table G-1				
2	Department of Health and Human Services				
3	Operating Statistics				
4	Clients Served by Community Mental Health Centers				
5					
6	Annual Totals				
7		Adults	Children	Total	
8	FY2012	36,407	13,122	49,529	
9	FY2013	34,819	13,013	47,832	
10	FY2014	35,657	14,202	49,859	
11	FY2015	34,725	10,736	45,461	
12	FY2016				
13					
14		Adults	Children	Total	
15					
16	Jul-14	14,818	5,179	19,997	
17	Aug-14	14,436	5,132	19,568	
18	Sep-14	14,981	5,382	20,363	
19	Oct-14	15,172	5,651	20,823	
20	Nov-14	14,142	5,591	19,733	
21	Dec-14	14,734	5,775	20,509	
22	Jan-15	14,960	5,257	20,217	
23	Feb-15	14,024	4,757	18,781	
24	Mar-15	15,083	5,044	20,127	
25	Apr-15	14,641	5,073	19,714	
26	May-15	15,467	5,996	21,463	
27	Jun-15	15,935	6,044	21,979	
28	Jul-15	15,467	5,741	21,208	
29	Aug-15	15,213	5,806	21,019	
30	Sep-15	15,232	5,769	21,001	
31	Oct-15	15,324	6,027	21,351	
32	Nov-15	14,438	5,957	20,395	
33	Dec-15	14,753	6,084	20,837	
34	Jan-16	15,150	5,637	20,787	
35	Feb-16	15,393	5,041	20,434	
36	Mar-16	15,474	5,903	21,377	
37	Apr-16	14,918	5,776	20,694	
38	May-16	14,691	6,225	20,916	
39	Jun-16	14,756	5,876	20,632	
40	Jul-16			0	
41	Aug-16			0	
42	Sep-16			0	
43	Oct-16			0	
44	Nov-16			0	
45	Dec-16			0	
46	Jan-17			0	
47	Feb-17			0	
48	Mar-17			0	
49	Apr-17			0	
50	May-17			0	
51	Jun-17			0	
52					
53	Notes:				
54	1. Monthly data is a duplicated count.				
55	2. Year-end data is unduplicated.				

	A	B	H	N	T	Z	AF	AG
1	Table J							
2	Medicaid Medical Caseloads (Persons)							
3	Enrollment as of	12/30/13	6/30/14	12/31/14	6/30/2015	12/31/2015	6/30/2016	7/31/2016
4								
5								
6.	1. Low-Income Children (Age 0-18)	82,129	88,961	90,618	89,849	91,089	90,484	89,780
7.	2. Children With Severe Disabilities (Age 0-18)	1,604	1,670	1,622	1,623	1,593	1,576	1,558
8.	3. Foster Care & Adoption Subsidy (Age 0-25)	1,948	2,004	2,085	2,166	2,181	2,204	2,182
9.	4. Low-Income Parents (Age 19-64)	10,324	13,976	13,212	13,677	13,851	13,113	12,505
10.	5. Low-Income Pregnant Women (Age 19+)	2,275	3,246	2,602	2,432	2,244	2,173	2,157
11.	6. Adults With Disabilities (Age 19-64)	19,997	20,222	19,540	19,727	19,111	18,997	18,813
12.	7. Elderly & Elderly With Disabilities (Age 65+)	8,828	8,822	8,714	8,606	8,741	8,681	8,661
13.	8. BCSP (Age 19-64)	205	204	189	172	149	144	151
14.	Sub-Total	127,310	139,105	138,582	138,252	138,959	137,372	135,807
15.	NH Health Protection Program (Age 19-64)			30,711	41,657	46,996	49,522	49,911
16.	Total By Category	127,310	139,105	169,293	179,909	185,955	186,894	185,718
17.	Reconciling Differences (Detail to Summary)	(405)	0	1	0	0	0	0
18.	Reported On Summary	126,905	139,105	169,294	179,909	185,955	186,895	185,718
19.								
20.	ENROLLMENT IN MEDICAID CARE MANAGEMENT							
21.	Enrollment as of	01/01/14	07/01/14	1/1/2015	7/1/2015	1/1/2016	7/1/2016	8/1/2016
22.								
23.	Enrolled in Care Management	108,206	120,915	145,763	161,224	128,349	136,962	135,741
24.	Premium Assistance Program (NHHPP formerly w/MCO, previously shown in Care Management and not new					36,884	40,381	40,392
25.	Enrolled in Fee-For-Service	25,186	15,549	22,067	17,594	19,100	8,069	8,147
26.	Total	133,392	136,464	167,830	178,818	184,333	185,412	184,280
27.								
28.		(6,082)	2,641	1,463	1,091	1,622	1,482	1,438
29.	Figures by category versus figures by coverage are taken from two points in time. Medicaid Care Management is first of the month and the some people drop off during the month and go into Fee-For-Service. FFS is end of the month and builds during the month to include the spend down clients excluded from MCM. The early data points are switched because the MCM data							

Table K
**Department of Health and Human Services
 Caseloads Versus Prior Year & Prior Month**

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